

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-409-S - ORDER NO. 2008-351

MAY 20, 2008

IN RE: Application of United Utility Companies, Inc. for Approval of a Contract with Trollingwood Development, LLC, to Serve Phase II of Trollingwood Subdivision)))))))	ORDER APPROVING CONTRACT OF UNITED UTILITY COMPANIES, INC. TO SERVE PHASE II OF TROLLINGWOOD SUBDIVISION
--	---------------------------------	---

This matter comes before the Public Service Commission of South Carolina ("Commission") on the application of United Utility Companies, Inc. ("UUCI") for approval of its contract with Trollingwood Development, LLC to provide sewer service to Phase II of the Trollingwood Subdivision in Greenville County ("Trollingwood II"). This Commission's authority to approve such contracts is found in 26 S.C. Code Ann. Regs. 103-541 (Supp. 2007), which states in part that no utility shall execute or enter into any agreement or contract with any....corporation...which would impact, pertain to, or effect said utility's fitness, willingness, or ability to provide sewerage service, including but not limited to collection or treatment of said wastewater, without first submitting said contract in form to the commission and the ORS and obtaining approval of the commission.

Trollingwood II is comprised of 62 single-family home sites located within the existing service territory of UUCI. Since Trollingwood II is located within UUCI's authorized service territory, and since the South Carolina Department of Health and

Environmental Control (“DHEC”) has given no opposition to the UUCI proposal to provide sewer service to the homes located in Trollingwood II, this application would usually be considered without hearing. However, representatives of Friends of the Reedy River, the Greenville County Soil and Water Conservation District, and Upstate Forever each expressed concern that the UUCI contract to serve Trollingwood II might result in adverse environmental consequences to the area, which, if found to be the case, could affect the utility’s fitness or ability to provide the sewerage service under consideration. To allow these groups and their members and representatives to come forward and present evidence germane to consideration of the contract, the Commission ordered that a public hearing be held. Notice of the site, date, and time of the hearing was published in *The Greenville News* on February 14, 2008, and the hearing was held on April 7, 2008, at Hillcrest High School in Simpsonville, South Carolina.

At the public hearing, the Commission heard the testimony of six witnesses, five of whom opposed approval of the contract and one of whom spoke in favor of approval of the contract. The opponents of the UUCI contract expressed concern that the existing UUCI facilities could not adequately process the additional sewage generated by the 62 Trollingwood II home sites without discharging unacceptable levels of contamination into the local waterways. While these concerns would be properly addressed by DHEC, they ordinarily would not be addressed in the first instance by this Commission in a proceeding in which a company seeks approval of a contract to provide sewer service to home sites located within its existing, already-approved service territory.

While environmental regulation is within the primary purview of DHEC, in discharging our duties to regulate rates and charges, this Commission considers any violations of DHEC permits, rules, and regulations as a component of quality of service. Quality of service is properly considered in the course of deciding whether to grant proposed rate increases in future rate proceedings. See Seabrook Island Property Owners Association v. Public Service Commission, 303 S.C. 493, 401 S.E. 2d 672 (1991). In this case, however, the opponents of the UUCI contract ask that we bar the Company from serving areas located within UUCI's existing, previously approved service territory, based solely upon their belief, thus far unsupported by DHEC, that the capacity of UUCI's sewage treatment facility is inadequate to handle the additional sewage generated by the 62 Trollingwood II home sites. This Commission declines to prejudge. without the benefit of more data, the UUCI facility's capacity for serving Trollingwood II. We therefore approve UUCI's contract with Trollingwood Development, LLC to provide sewer service to Phase II of the Trollingwood Subdivision.

MAY 20, 2008

PAGE 4

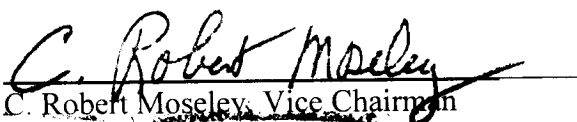
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:


C. Robert Moseley, Vice Chairman

(SEAL)